BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

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Retail Access Optimization Initiative   Docket No. N2011-1

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Responses of National Association of Postmasters of the United States
Witness Curt Artery
To Interrogatories of the U.S. Postal Service
(USPS/NAPUS-T2-1 through 11)

The National Association of Postmasters of the United States hereby files the responses of witness Curt Artery to the following interrogatories of the United States Postal Service, USPS/NAPUS-T1-1 through 11, filed on September 29, 2011.

Respectfully submitted,

   /s/

Robert M. Levi
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USPS/NAPUS-T-2-1. Your testimony refers to "the use of the small office variance (SOV) tool as the basis for identifying [P]ost [O]ffices for closure…" To the extent that you contend the Postal Service uses SOV as the basis for a decision to discontinue a particular Post Office, please provide the basis for this contention. Please provide any documents you relied upon in support of the portion of your testimony quoted above.

Answer. When informed that a large number of offices would be subject to the discontinuance study, NAPUS asked what the criteria would be. NAPUS members were informed by the postal districts and areas that the criteria capture those offices that did have walk in revenue of $27,500.00 and earned work load of less then two hours. In addition, Postal Service witness Boldt referenced these criteria in USPS-T-1. The figures for earned work load come from the SOV report.

USPS/NAPUS-T-2-2. Before drafting your testimony, did you ever use SOV? What is the date of your most recent use of SOV that occurred before you drafted your testimony? Please also explain in general terms when you have used SOV and for what purposes.

Answer. Yes I did use the SOV program. The most recent dates I used the SOV program were Sept. 9, 12 and 13, 2011.

I use the SOV for individual Postmasters and officers-in-charge (OIC) of post offices to explain to them how to access the program. As part of my presentation, I instruct them on how to identify the data and ensure it is accurate, with respect to the work load and value for the delivery administrative earned workhours. I also help to explain other areas of interest within the SOV program.

USPS/NAPUS-T-2-3. Your testimony states that "[o]ne of the concerns I have with regard to the SOV is that the system is not periodically updated to integrate new data, and, therefore, is not current or accurate." What is the basis for this statement? Please provide any documents you relied upon in support of the portion of your testimony quoted above. How often do you understand that it is updated, and how does that compare to what you think is most appropriate?

Answer. In SOV, on the Delivery Earned Administrative Workload Earned, I noticed there were zeros under the "Value Column," where there should have been a figure. Also, when I talked to Postmasters, OICs and supervisors, they did not know what information was missing, or why it was missing. Moreover, they stated they were never instructed to update the data, or how to update the information.

The document on which I relied was the actual information I found in the SOV program for different offices. I am including an example of this type of inaccurate SOV reporting on the two pages that follow this response.

In my experience, updating the data is only upon request by the postal district and the Postmaster of the inquiring office. I think a better way of maintaining timely data is updating it quarterly; this would make it consistent with other documentation that is required for other postal reports. Also, at the bottom of the "Delivery Administrative Earned Workload" report, there is an asterisk that states "District Level Editable Workload Elements." This means that the districts have the ability to change these values. I can not find where Headquarters have ever changed a value or updated the program.

ROSEBUD PO - 297236 DELIVERY ADMIN EARNED WORKHOURS

WORKLOAD ELEMENT	SOURCE	VALUE	SOV FACTORS INCLUDES STB	BENCHMARK MINS / DAY
2ND NOTICES DLVS	DELIVERIES	151	1.9305 minutes per 1000 Deliveries	0.29
APC MAINTENANCE	# PER MACHINE	0	4.8281 per machine	0.00
AVG MAILINGS PER	# PER	1.00	Mailings * 12 Mth * 27.5850 min / 302	1.10
BOX ACCOUNTABLE MAIL	ROUTES 1 per 500	0.14	5.7933 minutes per route	0.81
CALLER SERVICE (PAID)	AVG DAY	0	Callers *1.2124 minutes	0.00
CANCEL MAIL	ACTUAL MINUTES	0	Actual + (STB Factor 0.0729)	0.00
CARRIER ACCOUNTABLES	ROUTES	1	5.7933 minutes per route	5.79
CFS MAINTENANCE	DELIVERIES	151	0.5793 minutes per 500 Deliveries	0.17
COLLECTIONS	ACTUAL	10	Actual + (STB Factor 0.0729)	10.73
DISPATCH DLVS	DELIVERIES	151	5.7933 minutes per 1000 possible	0.87
EXPRESS MAIL DELIVERY	ACTUAL	0	Actual + (STB Factor 0.0729)	0.00
EXPRESS/PRIORITY SCANS	# OF SCANS	25	0.1352 min for each of the 1st 200 + 0.1352 min each > 200	3.38
FIRM HOLDOUT	AVG DAY	0	Firm Holdouts *1.2060 minutes	0.00
FLEX TIME	APPROV MIN.	0.00	Actual Authorized Other Time	0.00
NIXIE/UBBM	DELIVERIES	151	4.8281 minutes per 500 Deliveries	1.46
OFFSITE TRAVEL/ADMIN	ACTUAL MINUTES	0.00	Actual + (STB Factor 0.0729)	0.00
PN &CLS SUPPLIES &SVCS	# OF OFFICES	1	12.07 minutes per office	12.07
P.O. BOX MAINT	BOXES-RENTED	69	Rented boxes *1.9305 min / 302	0.44
POST OFFICE BOXES	RENTED	69	Not Applicable	
PREMIUM FOWARDING SVC	ACTUAL	0	Actual + (STB Factor 0.0729)	0.00
ROUTES CDS	DELIVERIES	82	Not Applicable	
ROUTES CITY	DELIVERIES	0	Not Applicable	
ROUTES RURAL	DELIVERIES	0	Not Applicable	
TELEPHONE	DELIVERIES	151	2.8968 minutes per 1000 Deliveries	0.44
VALIDATE 1412 'S	POS	0	5.7933 minutes per 1412	0.50
VERIFY DEPOSIT/TRANSMIT	# OF OFFICES	1	33.1650 minutes per Office	33.17
Period 10/03/2009 - 08/26/2011 (575 Data Days)			TOT.BENCHMARK MINUTES P/DAY	71.22
Report date 09/02/2011			TOT.ADMIN BENCHMARK HOURS	682.52

Bold Lettering = District Level Editable Workload Elements

GLENROCK PO - 573876   DELIVERY ADMIN EARNED WORKHOURS

WORKLOAD ELEMENT	SOURCE	VALUE	SOV FACTORS INCLUDES STB	BENCHMARK MINS / DAY
2ND NOTICES DLVS	DELIVERIES	1946	1.9305 minutes per 1000 Deliveries	3.76
APC MAINTENANCE	# PER MACHINE	0	4.R281 per machine	0.00
AVG MAILINGS PER	# PER	0.00	Mailings * 12 Mth * 27.5800 min / 302	0.00
BOX ACCOUNTABLE MAIL	ROUTES 1 per 500	3.18	5.7933 minutes per route	18.42
CALLER SERVICE (PAID)	AVG DAY	0	Callers *1.2124 minutes	0.00
CANCEL MAIL	ACTUAL MINUTES	0	Actual + (STB Factor 0.0729)	0.00
CARRIER ACCOUNTABLES	ROUTES	2	5.7933 minutes per route	11.59
CFS MAINTENANCE	DELIVERIES	1946	0.5783 minutes per 500 Deliveries	2.25
COLLECTIONS	ACTUAL	3	Actual + (STB Factor 0.0729)	3.22
DISPATCH DLVS	DELIVERIES	1946	5.7933 minutes per 1000 possible	11.27
EXPRESS MAIL DELIVERY	ACTUAL	0	Actual + (STB Factor 0.0729)	0.00
EXPRESS/PRIORITY SCANS	# OF SCANS	75	0.1802 min for each of the 1st 200 + 0.1352 min each > 200	10.14
FIRM HOLDOUT	AVG DAY	0	Firm Holdouts *1.2060 minutes	0.00
FLEX TIME	APPROV MIN.	0.00	Actual Authorized Overr Time	0.00
NIXIE/UBBM	DELIVERIES	1946	4.8281 minutes per 500 Deliveries	18.79
OFFSITE TRAVEL/ADMIN	ACTUAL MINUTES	0.00	Actual + (STB Factor 0.0729)	0.00
OPN &CLS SUPPLIES &SVCS	# OF OFFICES	1	12.07 minutes per office	12.07
P.O. BOX MAINT	BOXES-RENTED	1592	Rented boxes *1.9305 min / 302	10.18
POST OFFICE BOXES	RENTED	1592	Not Applicable	
PREMIUM FOWARDING SVC	ACTUAL	0	Actual + (STB Factor 0.0729)	0.00
ROUTES CDS	DELIVERIES	354	Not Applicable	
ROUTES CITY	DELIVERIES	0	Not Applicable	
ROUTES RURAL	DELIVERIES	0	Not Applicable	
TELEPHONE	DELIVERIES	1946	2.8968 minutes per 1000 Deliveries	5.64
VALIDATE 1412'S	POS	2	5.7933 minutes per 1412	10.38
VERIFY DEPOSIT/TRANSMIT	# OF OFFICES	1	33.1650 minutes per Office	33.17

Period 09/25/2010 - 09/23/2011 (302 Data Days)	TOT.BENCHMARK MINUTES P/DAY	150.87
Report date 09/28/2011	TOT.ADMIN BENCHMARK HOURS	759.38

Bold Lettering = District Level Editable Workload Elements

USPS/NAPUS-T-2-4. Your testimony states that "new scanning technology is not being input into the SOV program." What is the basis for this statement? Please provide any documents you relied upon in support of the portion of your testimony quoted above.

Answer. The USPS has added new scanning technology for use with new products and services. Such technology includes new scanning equipment. However, this technology is not being used to upgrade data in the SOV program. The technology I am referring to is used in other postal reports and programs. One may update actual figures with accurate data instead of using the SOV one-size-fits-all approach.

USPS/NAPUS-T-2-5. Your testimony states that "[a]lthough new Postal Service programs have the capability to account for current [P]ost [O]ffice activity – both financial and non-financial – the SOV does not." Please identify the activity included in the term "non-financial" as used in the passage quoted above. What is the basis for the statement in the passage quoted above? Please provide any documents you relied upon in support of the portion of your testimony quoted above.

Answer. Non-financial activities that are not included or are inaccurate in the SOV program, and not found in the walk in revenue portions of the SOV program or the earned work hours include: delivery of parcel post, delivery of "accountable" mail, bulk mailing, and required multiple scanning of most USPS parcel services. Also, SOV does not include nonrevenue questions asked by customers about postal products and services. Unfortunately, SOV offices have no basis for documenting such nonfinancial transactions; consequently, there no procedure that I would be able to document.

USPS/NAPUS-T-2-6. Your testimony refers to "deficiencies includ[ing] scanning Express Mail, Priority, parcel, parcel select, parcel return, parcel tracking, cancelling, and premium forwarding." Please explain the alleged deficiencies you identify in the passage quoted above. How do you believe that the deficiencies can or should be remedied?

Answer. In the SOV program, EAS Level 53 thru EAS Level 18 offices are given a prescribed amount of scans, depending on the level of the office. When SOV was established, an office was mandated to scan only once. Now, each postal product and service is mandated to receive at least three scans. Also, since the inception of the SOV program, the USPS has introduced new products and services. There is not "allowable time" provided in the program for these new products and services. Some of these deficiencies can be mitigated through updating the information quarterly from actual data, not one-size-fits-all.

USPS/NAPUS-T-2-7. Your testimony states that "[t]he Postal Service fails to use these tools to measure actual workload." Please identify what is included in the phrase "these tools" as used in the passage quoted above. What is the basis for the statement quoted above? Please provide any documents you relied upon in support of the portion of your testimony quoted above.

Answer. The tools at the disposal of the USPS include web-based programs that are updated and based on actual data. These reports can be found in the POS system, e-moves, and Enterprise Data Warehouse (EDW). The POS program has actual times assigned to different products and services that are used to calculate the workload. These times could be used in SOV offices. In addition, function 4 audits could be used to determine the number of products used and sold.

USPS/NAPUS-T-2-8. Your testimony states that SOV also does not capture workload needed to validate 'Financial Form 1412,' with regard to Sarbanes-Oxley Act (SOX) compliance. Under SOX, non-automated offices are required to provide handwritten documentation and verification of day-to-day transactions. This data is shown on PS Form 1412. This document is submitted daily to a web-based program, referred to as 'e-moves.' The amount of time given under SOV does not reflect the actual time needed to perform this task. What is the basis for these quoted statements? Please provide any documents you relied upon in support of the portion of your testimony quoted above.

Answer. In the SOV program, under Delivery Administrative Earned Workhours, the time provided for the workload element value is not adequate for the Postmaster to validate Form 1412. The reason for this assessment is that the Postmaster is required to: complete a 1412 and validate all the inserted numbers in the form, with the proper supporting documents; recover and print the required webbats reports; sign and verify the documents; and, finally, file the documents. There are no shortcuts for this process, since this is a SOX compliance issue. I can verify this procedure because I have conducted SOX audits for the Colorado/Wyoming District and Western Area.

USPS/NAPUS-T-2-9. Your testimony states that "[i]n sum, [P]ost [O]ffices are not receiving credit for required functions. These include web-based programs, 1412 validation, cancelling mail, scanning, function 4 audits, and caller service." What is the basis for the statements quoted above? Please provide any documents you relied upon in support of the portion of your testimony quoted above.

Answer. These are all functions that are required to have proper documentation to demonstrate that they have been completed timely and correctly, and that the data is verified. These functions are preformed irrespective of the office level and must be given adequate time to be completed.

USPS/NAPUS-T-2-10. Your testimony states that "…SOV time standards are inconsistent with [P]ost [O]ffices operating within a point-of-service (POS) terminal environment." What is the basis for this statement? Please provide any documents you relied upon in support of the portion of your testimony quoted above.

Answer. In a POS environment each function, service, and window transaction is given a determined amount of time credit. Specifically, the window credit translates into minutes and seconds; then, credit for retail services is calculated. In contrast, this is not the method used to compile data in a SOV environment. I am providing an example of the documentation provided in a POS office. No such document is used in SOV office.

xamples of how to convert Time Factors into minutes and seconds:

* 4.77 = 4 minutes + .77 * 60 seconds = 4 minutes, 46 seconds
* 1.19 = 1 minute + .19 * 60 seconds = 1 minute, 11 seconds

Workload New Groups	AIC	Description	Previous Time Factor	Current Time Factor
Non-Revenue	0000	COD Pickup	5.17	5.08
		Express Mail Pickup	1.19	1.19
		Hold Mail	1.19	1.19
		Non-revenue Pickup	1.33	1.30
		Other Mail Pickup	1.19	1.19
		PO Overflow	1.19	1.19
		Un-num Parcels	1.19	1.19
Trust	0053	Business Reply Mail/Postage Due Adv Deposits	1.82	1.73
	0054	Customs Collections	2.00	2.00
	0055	Express Mail Advance Deposits	1.48	1.45
	0057	Employee Stamp Credit Overage	2.80	2.80
	0070	Customer Permit Account Advance Deposit	1.37	1.32
	0074	Spec Provisions Locally Managed Trust Adv Dep	1.57	1.60
Postage	0007	Forever Stamp Sales - Window Services	0.53	0.55
	0083	Local Commemorative Envelopes Sales	0.63	0.57
	0084	Breast Cancer Stamp Sales	0.58	0.57
	0085	Discontinued	0.58	0.58
	0086	Precancelled Stamp Sales	0.52	0.50
	0087	Reserved	0.58	0.58
	0088	Discontinued	0.58	0.58
	0089	Discontinued	0.58	0.58
	0090	Postage Stock Sales	0.57	0.57
	0091	Bird Stamp Sales	0.52	0.52
	0092	Philatelic Product Sales	0.33	0.38
Retail Services	0100	Domestic Money Order - Value	1.07	1.05
	0101	Domestic Money Order - Fee	0.00	0.00
	0102	International Money Order - Value	2.48	2.40
	0103	International Money Order - Fee	0.00	0.00
	0105	Sure Money Sales - Funds (Restricted Entry)	0.68	0.87
	0106	Sure Money Sales - Fee (Restricted Entry)	1.72	1.73
	0108	Premium Forwarding Service Application Fees	3.02	3.68
	0110	Post Office Postage Meters Sales	0.53	0.58
	0111	Discontinued	5.06	5.06
	0112	Discontinued	2.80	2.80
	0113	Additional Postage Revenue	0.72	0.68
	0114	Postage Due Invoices	0.52	0.52
	0115	12-Month PO Box Fees	2.13	2.08
	0116	BRM, Qualified, and Wt. Avg. Annual Acct Fee	1.77	1.73
	0117	First-Class Presort Annual Mailing Fee	2.07	2.07
	0118	Media and Library Mail Presort Mail Fees	2.35	1.82
	0120	Correction of Mailing Lists	1.28	1.10
	0121	Permit Imprint First-Class Mail Postage	1.33	1.33
	0122	Permit Periodicals Denied	1.73	1.62
	0123	Lobby Services Revenue	1.03	1.07
	0124	Permit Imprint-Media Mail and Library Mail	1.22	1.27
	0125	Permit Imprint -Standard Mail-Nonprofit	1.05	1.03
	0126	Miscellaneous Non-Postal Revenue	1.10	1.07
	0127	Privacy Act Copying Fees	1.18	1.18
	0129	Change of Address Information Fees	0.17	0.23

USPS/NAPUS-T-2-11. Your testimony states "POS offices can track actual time used in completing retail transactions. SOV offices do not have this capability, so they are mandated to follow a one-size-fits-all benchmark." What is the basis for the statements in the passage quoted above? Please provide any documents you relied upon in support of the portion of your testimony quoted above. What, if any, differences can you identify between those offices for which SOV is used and POS offices?

Answer. In a POS office, each time a transaction is performed, the POS software inserts the transaction in the proper account identifier code (AIC), and provides the allowed time. At the end of the day, POS software gives the total of all transactions performed for that day and gives credit for each time a postal product is scanned. In contrast, SOV provides for an average of only one scan per product. The impact of the distinction between a POS office and an SOV office is the ability to accurately evaluate postal workhours in identifying post offices for discontinuance review under the RAOI. In summary, the differences are attributable to POS offices being credited with actual time and credit, which are updated daily. SOV offices are given a one-size-fits-all methodology, and are updated only sporadically. In essence, SOV offices rely on gross estimates for workhours. For documentation, please refer to question T-2-10.